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TO RUEHC/SECSTATE WASHDC PRIORITY 1576  
INFO RUEHBO/AMEMBASSY BOGOTA 7831  
RUEHLP/AMEMBASSY LA PAZ AUG LIMA 1067  
RUEHQT/AMEMBASSY QUITO 2881  
RHEHNSC/NSC WASHDC  
RUMIAAA/HQ USSOUTHCOM MIAMI FL  
RUCPDO/DEPT OF COMMERCE  
RUEATRS/DEPT OF TREASURY

C O N F I D E N T I A L CARACAS 001090

SIPDIS

HQ SOUTHCOM ALSO FOR POLAD  
TREASURY FOR MEWENS  
NSC FOR JSHRIER  
COMMERCE FOR 4431/MAC/WH/MCAMERON

E.O. 12958: DECL: 08/04/2018  
TAGS: [ECON](#) [PGOV](#) [VE](#)  
SUBJECT: ENABLING LAW ENDS WITH A BANG OF UNKNOWN  
PROPORTIONS

Classified By: Economic Counselor Darnall Steuart for reasons 1.4 (b) and (d).

¶1. (U) Under the broad powers of an enabling law ("Ley Habilitante") that expired July 31 (or August 1, depending on one's interpretation), President Chavez has decreed 26 new laws. The titles of these laws were published in the official Gazette dated July 31 and available August 1. The text of the laws, however, was not published; instead, the Gazette referred readers to four "Extraordinary" editions of the Gazette that would also be dated July 31. Three of the four editions apparently became available in limited numbers on August 4. The laws address some potentially significant issues such as food sovereignty and security, the armed forces, public finance, social security, housing, and banking (see paragraph five for a complete list of the laws). (Note: Under the Ley Habilitante, the National Assembly granted Chavez the ability to legislate by decree for 18 months beginning February 1, 2007. Post is preparing a summary of the law's impact septel. End note.)

¶2. (SBU) Although it was common knowledge that the BRV was in the process of drafting a number of laws, the Gazette edition came as a surprise when it hit the streets August 1. In a speech on July 31, Chavez had alluded to four laws that would be decreed via the enabling law, not to 26. Opposition commentators have criticized Chavez' move on several grounds,

including the potential applicability of laws that were not made public (or, likely, were not fully drafted) before the Ley Habilitante ran out and the lack of public debate (as, arguably, is required in the Constitution). In his "Alo Presidente" show August 3, Chavez defended the constitutionality of the last-minute decree, claiming that the laws had been submitted to extensive debate and consultation and challenging anyone who objected to the process to seek redress in the courts.

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Comment  
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¶3. (C) We cannot evaluate the significance of these laws until we have had time to read and analyze their text. Before the December 2007 constitutional reform referendum, Chavez said that he had some 100 laws ready to promulgate by decree. After the referendum, Chavez spoke of "applying the brakes" to his socialist revolution, and it remains to be

seen how radical these 26 laws are. While the opposition may cry foul over the process, we doubt that the laws could be successfully challenged in the courts. This last-minute use of the Ley Habilitante shows once again Chavez' disregard for appearances as he pushes the limits of his authority. At the same time, it also showcases the often last-minute and disorganized nature of policymaking in the BRV. End comment.

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The Laws  
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14. (U) The 26 laws whose titles were published in the July 31 edition of the Gazette are:

- Organic Law of Tourism
  - Organic Law of National Rail Transport
  - Organic Law of Agro-Food Security and Sovereignty
  - Law of Credit Regime for Housing and Habitat
  - Law for People's Defense in Accessing Goods and Services
  - Organic Law of Aquatic Spaces
  - Law Creating a Social Fund for the Raising and Use of Excess Resources of Entities of the National Public Administration
  - Law on Integral Agricultural Health
  - Law on Fomenting and Developing the Popular Economy
  - Law on the Bank for Economic and Social Development, BANDES
  - Law for the Promotion and Development of Small and Medium Sized Industry and Other Units of Social Production
  - Law for the Elimination of the Industrial Credit Fund
  - Organic Law of Public Administration
  - Law for the Restructuring of the National Housing Institute
  
  - Law of Credit for the Agricultural Sector
  - Law for the Canalization and Maintenance of Marine Ways
  - Law of Reform of the Financial Administration of the Public Sector
  - Organic Law of the Bolivarian National Armed Forces
  - Law of Benefits and Credit Facilities for Agricultural Debts and Strategic Items for Food Security and Sovereignty
  - Law of the Agricultural Bank of Venezuela
  - Law of the Partial Reform of the Organic Law of the System of Social Security
  - Organic Law of Simplification of Administrative Procedures
  - Law of Partial Reform of the Social Security Law
  - Law of Reform of the Law of the National Housing Institute
  - Law of Partial Reform of the Organic Law of the Attorneys General Office
  - Law of Partial Reform to the General Law of Banks and Other Financial Institutions
- DUDDY